

ZOMATO: THE STORY OF HUNGER

Back in 2008, two IIT Delhi graduates, **Deepinder Goyal and Pankaj Chaddah**, started posting menus of different restaurants in Gurgaon online on a website called **FoodieBay**. There was no revenue, it was just a free service. As its popularity increased, it started spreading across Delhi NCR and slowly built a target audience.

In 2010, they raised a funding round and received a seed investment of 1 million dollars from Info Edge (the parent company of Naukri.com). Then they changed the name from FoodieBay to **Zomato** because there was confusion between FoodieBay and eBay. They chose Zomato because it was unique and rhymed with “tomato.”

After that, the platform grew rapidly and started gaining popularity in Mumbai, Bengaluru, and Hyderabad.

Quick timeline:

- **2008** – Foodiebay was launched. Just menus. No delivery yet.
- **2010** – Name changes to Zomato
- **2015** – They add food delivery (huge step)
- **2018** – Zomato Gold is introduced
- **2020** – They buy Uber Eats India
- **2021** – Zomato goes public (yep, stock market)
- **2023–2025** – Add groceries, intercity delivery, more experiments

In the beginning, the platform helped people find good restaurants. In 2015, food delivery was added, which became a major part of the business model.

The brand positioned itself as reliable, friendly, and approachable, breaking away from the typical image of corporate companies.

Marketing strategies:

1) SEO (search engine optimization)

When a person searches for restaurants or menus, Zomato usually appears

at the top. They invested heavily in optimization through reviews, blogs, and structured listings.

2) Social media

Zomato always had a strong social media presence,
Sharing memes, relatability, equally quirky replies to witty comments
Making a bond with the audience and positioning as a relatable and approachable brand.

3) Push notifications

Based on your order history and location they time these personalised notifications like "A for Aaj Dinner me B for Biryani hai"

4) Email and whatsapp marketing

Zomato also sends emails that don't feel like emails. Their subject lines are clever and their content is usually short and playful. Same with WhatsApp updates, they send order tracking, promos, and even jokes sometimes.

5) Youtube

- They created food challenges.
- Collaborations with influencers

They have tried various content format, some of which were hits while some were miss

6) Quirky billboard

From Diwali to cricket tournaments, Zomato markets itself creatively with fast, witty campaigns.

This increased the app downloads, orders, daily and daily active users.

Viral campaigns

Har customer hai superstar

In this campaign, zomato collaborated with many superstars like hritik roshan, katrina kaif. The delivery partners portrayed that every customer is like a star for them and they don't differentiate between their customers and treat everyone respectfully and make them their priority.

The concept touched the hearts of target audience

Even during covid, they focused on delivery partner's safety and hygiene

Many campaigns like "safe hai, reliable hai, zomato hai" which helped in gaining the trust of many people.

This helped zomato become a daily lifestyle partner.

Psychological strategies

Apart from genius marketing strategies, zomato uses many psychological strategies

1) Heavy discount banners

As soon as you open the app, you see coupons, timers and phrases like "Hurry up!!!! Last few minutes"

They use urgent marketing, making the user make an impulsive decision.

2) Recommendations:

They use search and order history to recommend dishes, restaurants according to location and prices.

The home page is very personalised making users tempted

3) Charm pricing strategy

The prices in the menu are written as ₹299 instead of ₹300

Even though the difference is just ₹1, customers tend to think that the price is near 200 instead of 300, creating the illusion of saving a lot and thinking it as a steal deal.

4) Gamification and loyalty

- Zomato gold was launched in 2017, during its launch period, it had limited invites for the gold subscription it created hype.
- "Unlock gold" messages after multiple orders,
- Special badges, milestones, and only member deals made the user experience premium also psychologically making them order more in order to make complete use of the membership.

Business Model

The bigger question is how does zomato make money?

Let's understand its business model

1) Delivery commissions

Every time an order is placed, zomato gets a small cut from the restaurant contributing to its revenue.

2) Zomato Gold

Zomato gold launched in 2017, users started buying the subscription which made them feel like a premium customer.

3) Ads for restaurant

Zomato charges money to promote restaurants at the top of their searches.

4) Hyperpure (B2B model)

It launched in 2018, which supplies fresh ingredients and kitchen essential to over 30,000 restaurants.

5) Dining out and events

Zomato also helps users book tables, access dining deals, and even attend food events or fests. It's a small part of the business, but it adds to the overall brand.

Challenges

1) Delivery partner protest

Delivery partners protested against long working hours, low pay and safety concerns.

Actions taken: Zomato responded to the concerns by tweaking pay models and offering insurance.

2) Campaign backlash

Jokes that touched sensitive topics faced major backlashes from societies.

Actions taken: post/ banners taken down and issued apologies.

3) Profitability pressure

For a long time, Zomato was burning a lot of cash to grow fast.
Investors and the stock market have pushed them to show profits
Actions taken: Zomato went public with its IPO for the first time in 2021 which was a massive hit.

Lessons for startups:

- Be Bold with Your Brand Voice
- Fail fast, comeback faster
- Customer base is more important than profits at early stage